

So I thank all my colleagues for their cooperation. We have had a very successful week. We passed the FAA reauthorization, confirmed two judicial nominations, passed the foreign operations conference report. Now we are hopefully fixed to pass the Labor-HHS appropriations bill, and we will file cloture tonight, since it seems it is necessary, on the Agriculture appropriations conference report.

The bottom line: No further votes tonight; the next vote, 5:30 on Tuesday.

I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I have a good bit to say, but since colleagues want to get to the airport, I shall say it after the final vote takes place.

I yield the floor.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. COVERDELL. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from New York (Mr. SCHUMER) is necessarily absent.

I also announce that the Senator from Connecticut (Mr. DODD) is absent because of family illness.

The PRESIDING OFFICER (Mr. SESSIONS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 73, nays 25, as follows:

[Rollcall Vote No. 321 Leg.]

YEAS—73

Abraham	Gorton	Mikulski
Akaka	Grassley	Moynihan
Baucus	Gregg	Murkowski
Bennett	Harkin	Murray
Biden	Hatch	Reed
Bingaman	Hollings	Reid
Bond	Hutchinson	Robb
Boxer	Hutchison	Roberts
Breaux	Inouye	Rockefeller
Bryan	Jeffords	Roth
Burns	Johnson	Santorum
Byrd	Kennedy	Sarbanes
Campbell	Kerrey	Shelby
Chafee	Kerry	Smith (OR)
Cleland	Kohl	Snowe
Cochran	Landrieu	Specter
Collins	Lautenberg	Stevens
Coverdell	Leahy	Thompson
Daschle	Levin	Thurmond
DeWine	Lieberman	Torricelli
Domenici	Lincoln	Warner
Dorgan	Lott	Wellstone
Durbin	Lugar	Wyden
Feinstein	Mack	
Frist	McConnell	

NAYS—25

Allard	Brownback	Craig
Ashcroft	Bunning	Crapo
Bayh	Conrad	Edwards

Enzi	Hagel	Sessions
Feingold	Helms	Smith (NH)
Fitzgerald	Inhofe	Thomas
Graham	Kyl	Voinovich
Gramm	McCain	
Grams	Nickles	

NOT VOTING—2

Dodd	Schumer
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The bill (S. 1650), as amended, was passed.

The text of the bill will be printed in a future edition of the RECORD.

Mr. SPECTER. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPECTER. Mr. President, I thank my colleagues on both sides of the aisle.

I ask unanimous consent when the Senate completes all action on S. 1650, it not be engrossed and be held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I thank my colleagues on both sides of the aisle for the very strong vote in support of this bill. I thank my distinguished colleague, Senator HARKIN, ranking member, for his cooperation, for his leadership, and for his extraordinary diligence. We have had an extraordinary process in moving through this bill.

It is very difficult to structure funding for the Department of Education, the Department of Health and Human Services, and the Department of Labor which can get concurrence on both sides of this aisle. The bill came in at \$91.7 billion. There have been some additions. It is hard to have enough spending for some, and it is hard not to have too much spending for others. I think in its total we have a reasonably good bill to go to conference.

The metaphor that I think is most apt is running through the raindrops in a hurricane. We are only partway through. We are now headed, hopefully, for conference. I urge our colleagues in the House of Representatives to complete action on the counterpart bill so we may go to conference.

We have already started discussions with the executive branch. I had a brief conversation with the President about the bill. He said his priorities were not recognized to the extent he wanted. I remind Senators that the Constitution gives extensive authority to the Congress on the appropriations process. We have to have the President's signature, but we have the constitutional primacy upon establishing the appropriations process at least to work our priorities. I am hopeful we can come to an accommodation with the President.

We have had extraordinarily diligent work done by the staff: Bettilou Taylor, to whom I refer as "Senator Taylor," has done an extraordinary job in shepherding this bill through and taking thousands of letters of requests from Senators; Jim Sourwine has been at her side and at my side; I acknowl-

edge the tremendous help of Dr. Jack Chow, as well as Mary Dietrich, Kevin Johnson, Mark Laisch, and Aura Dunn. On the minority staff, Ellen Murray has been tremendous, as has Jane Daye.

There is a lot more that could be said, but there is a great deal of additional business for the Senate to transact. I thank my colleagues for passing this bill.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—CONFERENCE REPORT

Mr. LOTT. Mr. President, I ask consent that the Senate proceed to the conference report to accompany the Agriculture appropriations bill, the conference report be considered as read, and immediately following the reporting by the clerk and granting of this consent, Senator JEFFORDS be recognized.

Mr. JEFFORDS. I object.

Mr. LOTT. In light of the objection, I now move to proceed to the conference report of the committee of conference on the bill (H.R. 1906) an act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for the fiscal year ending September 30, 2000, and for other purposes.

The PRESIDING OFFICER. The report will be stated.

The clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1906), have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

(The conference report is printed in the House proceedings of the RECORD on September, 30, 1999.)

Mr. LOTT. Mr. President, I ask consent following my remarks, Senator JEFFORDS be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I say to the membership, if an agreement cannot be reached for a total time limitation that is reasonable, I will file a motion for cloture on the Agriculture conference report, and that a cloture vote will occur on Tuesday of next week at 5:30 unless a consent can be worked out to conduct the vote at an earlier time or unless something can be worked out to just have the vote on final passage.

I ask the Senator from Vermont if he is in a position to agree to a time limitation for debate at this time on the pending Agriculture conference report?

Mr. JEFFORDS. I believe I can't make that agreement at this time.

Mr. LOTT. I thank my colleague for his frankness. I understand his feeling about it. I know there are Senators on both sides of the aisle who have some

reservations about going forward with this bill. I know they can understand the need to move this very important bill on through the conference process and to the President for his signature.

CLOTURE MOTION

I send now a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the conference report to accompany H.R. 1906, the Agriculture appropriations bill.

Trent Lott, Thad Cochran, Tim Hutchinson, Conrad Burns, Christopher S. Bond, Ben Nighthorse Campbell, Robert F. Bennett, Craig Thomas, Pat Roberts, Paul Coverdell, Larry E. Craig, Michael B. Enzi, Mike Crapo, Frank H. Murkowski, Don Nickles, and Pete Domenici.

Mr. LOTT. I ask consent that the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I ask consent that the cloture vote occur at 5:30 p.m. on Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is now recognized.

Mr. JEFFORDS. Mr. President, it is with great disappointment and reluctance that I stand before the Senate to express my reasoning for opposing the fiscal year 2000 Agriculture appropriations bill. This bill provides funding for agricultural programs, research, and services for American agriculture. In addition, it provides billions of dollars of aid for farmers and ranchers throughout America who have endured natural and market disasters.

However, and most unfortunately, it neglects our Nation's dairy farmers. I understand the importance of funding these programs and the need to provide for farmers. However, dairy farmers throughout the country, drought-stricken farmers in the Northeast, have been ignored in this bill. Congress is willing to provide billions of dollars in assistance to needy farmers across the country. Dairy farmers in States are not asking for Federal dollars but for a fair price structure for how their products are priced.

Vermonters are generally men and women of few words. Given that the State's heritage is so intertwined with agriculture and the farmer's work ethic, whether fighting the rocky soil or the harsh elements, Vermonters have developed a thick skin. If Vermonters want advice, they will ask it. Until then, it is best to keep one's mouth shut.

Indeed, a Vermonter will rarely meet a problem with a lot of discussion but, rather, with a wry grin and perhaps a

shrug. If there is a blizzard and the temperature is below zero, the Vermonter will most likely put on his boots and grab a shovel. Talking isn't going to make the snow melt, but hard work will clear a path so the mailman can get to the door.

A Vermonter will always speak his or her mind with the fewest words possible. President Calvin Coolidge was a native Vermonter to the core. A woman told Calvin Coolidge, that taciturn 30th President who hailed from Vermont, she bet she could get him to say more than two words. Coolidge thought a moment and then replied, "You lose."

Vermonters know I must speak my mind about the importance of protecting the farm families in our State. They expect me to be generous with my thoughts and expressions on just how critical the Northeast Dairy Compact is to Vermont. I will not let them down. The clock is ticking on the dairy compact and Federal order reform. Every moment is valuable.

As Governor Aiken, a true Vermonter, said:

People ask what's the best time of the year for pruning apple trees. I say, when the saw is sharp.

In other words, procrastination has no place in a Vermonter's mindset. Assuming every Vermonter owns a sharp saw, the best time to get to work pruning an apple tree is right about now.

America's dairy farmers need our help. Now is the time to help them. Congress has the tools and the means, so let us not procrastinate on protecting the future of one of our most important resources. The farmers in New England have a program that works. It is called the Northeast Dairy Compact. Because the dairy pilot program has worked so well, no fewer than 25 States have approved compacts and are now asking Congress for approval.

Unlike other commodities such as wheat, cotton, or soybeans, milk cannot be stored to leverage a better price from the market. Milk must be bottled and shipped to the grocery store as soon as it is taken from the cow. Because of the unique situation milk is in compared to other commodities and ensuring there is a fresh local supply of milk in every region of the country, Congress established a pricing structure to protect farmers and consumers. There have been several modifications of the 1937 Agricultural Marketing Adjustment Act over the years to comply with changes at the marketplace, but the structure of the Federal milk marketing orders is as solid and important both to farmers and consumers today as in 1937.

The Federal milk marketing orders have assisted dairy farmers in surviving the economy and weathering prices. The Federal milk marketing orders over the last 60 years have been, and continue to be, supplying the Nation with sufficient supplies of a wholesome product and at very reasonable prices. You ought to compare the

prices over time with other things such as soft drinks and things such as that and you will realize what a deal you have. To those who say they do not understand them, who make fun of their seeming complexity, I can only reply: They work. Because they work, dairy is not looking for a bailout in the form of disaster relief; no.

But dairy farmers do need relief of a different kind. There is no need for the expenditure of money. The compact we need to have does not cost the Government money; it saves the Government money. It also brings about a calm structure to the pricing aspects. It protects the producers, protects also the manufacturers, and has worked out especially well for consumers, giving them an average price for their milk which is lower than the average in the country. Where commodity farmers are asking their Government for relief from natural and market disasters, dairy farmers are asking for relief from the promised Government disaster in the form of a fair pricing structure from the Secretary of Agriculture.

This chart, which I will have here in a moment, will demonstrate so those who can see it will understand better what I am talking about. What we are here about today is that, basically, we have a very reasonable request for the continuation of a compact which has worked for many years now, and is so good that, first of all, it has 25 States that have passed laws to have another compact. But, most importantly, it also, unfortunately I should say at the same time, is keeping farmers in business. For some reason or other, those up in the Midwest, who have this compulsion to believe they can provide the milk for the whole Nation if they just had the chance, they don't like it. Why? It is keeping the farmers in business and they want them out of business so they can take away their markets.

Second, you have people who do not like it—although those in the area who are using it like it very much—but others outside the area are very concerned about it; that is, those who buy the milk are concerned because they no longer have a monopoly or they are at the mercy of the market. Because when dairy sits there, it spoils, so you have to get it right away. If nobody takes it, it is not worth much. So the processors do not like this because they do not set the price. They do not have a monopoly.

How does it work? We put together a system for the dairy farmer up in northeastern Vermont. They worked out this arrangement. That is why Massachusetts, which has very few farms, and Rhode Island, agreed to join together, because they found out it would work out for their processors, it would work out for the consumers, and it would work out for the farmers. But dairy farmers do need relief of a different kind.

There is no need for an expenditure of money where commodity farmers

are asking for relief from natural and market forces. They are asking for relief in the form of a fair pricing structure from the Secretary of Agriculture. This chart says it all. I hope my colleagues remember, I had this chart before this body some time ago. It helps us get the necessary votes to show a majority understood. From this chart, which is the revenue loss resulting from the Federal USDA order proposed—that is 1-B—you can see why we are having such conflict and why we are having a difficult time getting the dairy bill through.

On this chart, those States in red are the ones that will lose under 1-B. The States in green are the ones that will gain. Guess where those are that will gain. They are in the upper Midwest. Everybody else in the country, with a few exceptions, loses. So what does the Secretary do? He sets up this scam way of approving the order by saying it is 1-B or disaster. How would you vote? Would you vote for 1-B or would you vote for disaster? Guess what. 1-B won, but was that the preference of the farmers? No. We have gone to court on that and the court agreed and said that was a farce. So there is a restraining order to stop the imposition of 1-B. But remember that chart because it shows why and what this is all about.

Unless relief is granted by correcting the Secretary's final rule and extending the Northeast Dairy Compact, dairy farmers in every single State will sustain substantial losses, not because of Mother Nature or poor market conditions but because of the Clinton administration and the few in Congress who have prevented this Nation's dairy farmers from receiving a fair deal.

Unfortunately, Secretary Glickman's informal rulemaking process developed pricing formulas that are fatally flawed and contrary to the will of Congress. The Nation's dairy farmers are counting on this Congress to prevent the dairy industry from being placed at risk, and to instead secure a sound future.

Secretary Glickman's final pricing order, known as option 1-B, which I just talked about, was scheduled to be implemented on October 1 of this year. However, the U.S. district court has prevented the flawed pricing system from being implemented by issuing a 30-day temporary restraining order on the Secretary's final rule. That will expire at the end of this month. Hopefully, it will be extended.

The court found the Secretary's final order and decision violates Congress' mandate under the Agriculture Marketing Agreement Act of 1937, and the plaintiffs who represent the dairy farmers would suffer immediate and irreparable injury from implementation of the Secretary's final decision.

The court finds the plaintiffs have a likelihood of success in their claim that the Secretary's final order and decision violates the AMAA by failing adequately to consider economic factors regarding the marketing of milk

in the regional orders across the country.

Again, this chart shows why the court said we had better take another look at this. If this is what is going to happen with this order by the Secretary of Agriculture, that does not seem to be consistent with talking about the regions, making sure the regions are handled fairly.

The temporary restraining order issued by the U.S. district court has given Congress valuable additional time to correct Secretary Glickman's rule. We must act now. With the help of the court, Congress can now bring fairness to America's dairy farmers and consumers. Instead of costing dairy farmers millions of dollars in lost income, Congress should take immediate action by extending the dairy compact and choosing option 1-A for the Secretary.

The Agriculture appropriations bill, which includes billions of dollars in disaster aid, seems to be a logical place to include provisions that would help one of this country's most important agricultural resources without any cost to the Federal Government. Again, I repeat that over and over again—without any cost to the Federal Government. Giving farmers and consumers a reliable pricing structure and giving the States the right to work together, at no cost to the Federal Government—again, at no cost to the Federal Government—to maintain a fresh supply of local milk is a novel idea.

If you learn about agricultural problems in this country, you will realize much of the aid in this bill does not go for disasters of the kind of weather or whatever. It is low prices. So what is going to happen? The Federal Government is going to put up billions of dollars because the farmers did not get the price that they thought was fair. That is fine, but why in the world could you, then, deny the area of New England an order which helps them to keep their farmers in business and doesn't cost any money to the Federal Government?

That sounds like a convoluted way of running a system, but we may be getting used to it.

It is an idea towards which Congress should be working. Instead, a few Members in both the House and Senate continue to block the progress and the interest of both consumers and dairy farmers.

The October 1, 1999, deadline for the implementation of the Secretary's rule has come and gone, but with the help of a U.S. Federal district court, Congress still has time to act. We must seize this opportunity to correct the Secretary of Agriculture's flawed pricing rules and at the same time maintain the ability of the States to help protect their farmers without additional costs to the Federal Government.

Federal dairy policy is difficult to explain at best. I have been here 24, 25 years. When I was in the House, I was

fortunate enough, or unfortunate as you might say, to be the ranking member on a subcommittee dealing with dairy. I point back to that time because that was the Watergate years. The reason I got that job was because there were not many Republicans left, and all of us received ranking jobs of some sort.

At that time, we had problems, and we have had problems every year I have been here. We finally have come across a program that works that will prevent the travesties we have witnessed over the years. I have seen it for 24, 25 years now, and I finally see there are programs that will work, programs that will keep us out of disasters, programs that will make us proud of agriculture and protect the consumers' costs and protect all the others who work with it. Why do we want to do away with it?

Federal dairy policy is difficult to explain at best. As a Member who has served many years, and during my years in the House, I worked very closely with dairy programs that impacted dairy farmers and consumers. The Federal Milk Marketing Program may be difficult to explain, but its intent is simple. The Federal milk marketing orders, which are administered by USDA, were instituted in the 1930s to promote orderly regional marketing conditions by, among other things, establishing a regional system of uniform classified pricing throughout the country's milk markets. Milk marketing policy is defined by the fact that milk is a unique commodity. It is not something such as grain which is put in a storage bin or put in a freezer locker or canned. When you want it, you want it fresh and you want to be able to drink it.

Fluid milk is perishable and must be worked quickly through the marketing chain and reach consumers within days of its production. That is why if a farmer goes to the person from whom he normally purchases milk and he says we don't want it, they are at their mercy: "Well, we'll take it up \$2, \$3 less a hundredweight if you really want to get rid of it."

Unlike other commodities, this means that dairy farmers are in a poor bargaining position with respect to the price they can obtain from milk handlers. In addition, persistent price instability, particularly when prices are depressed, serves to drive producers from the market and damage the market's ability to provide a dependable supply of quality milk to consumers.

We get this up and down. If there is too much, farmers go out of business; if there is too little, then farmers either come back or they put more cows out. The interesting thing is, if you look at the charts—consumers should be very interested in this—you will see a ratchet effect. Every time the price to the farmer goes down, the retail price stays up there because the processors keep it up there. The farmers lose and the consumers lose. That price should

go down if the demand goes down, but that does not happen. That is another reason why this compact has worked so well because it takes that ratchet situation out of the system.

Based on the Agriculture Marketing Agreement Act of 1937, the major objectives of the Federal milk marketing orders are as follows: to promote orderly marketing conditions for dairy farmers; to equalize the market power of dairy farmers and processors within a market and thereby obtain reasonable competition; to assure consumers of adequate and dependable supplies of pure and wholesome fluid milk products from the least costly sources; and to complement the efforts of cooperative associations of dairy farmers, processors, and consumers; and to provide maximum freedom of trade with proper protection of established dairy farmers against loss of the market.

For dairy farmers increasing production to adjust to market conditions is not a matter of sowing more seeds. Price stability is a key to dairy farmers' success. That makes sense to me and should make sense to anyone who values having a local supply of fresh milk available at their local market at reasonable prices.

Yet while the market order system is basically sound, it still needs improvement. It is for this reason that the Congress in the 1996 farm bill directed the Secretary of Agriculture to revise the pricing system.

This Congress has made its intention abundantly clear with regard to what is needed for the new dairy pricing rules. Sixty-one Senators and more than 240 House Members signed letters to Secretary Glickman last year supporting what is known as option 1-A for the pricing of fluid milk.

On August 4 of this year, you will recall the Senate could not end a filibuster from the Members of the upper Midwest but did get 53 votes, showing a majority of the Senate supports option 1-A and keeping the Northeast Dairy Compact operating. Most recently, the House passed their version of option 1-A by a vote of 285-140.

The House and Senate have given a majority vote on this issue. Thus, I was very hopeful that its inclusion would have been secured in the Agriculture appropriations bill.

This unified statement of congressional intent reflected the fact that the majority of the country and the dairy industry support option 1-A. It has a broad support of Governors, State departments of agriculture, the American Farm Bureau, and dairy cooperatives and coalitions from throughout the country. Even the Land-O-Lakes Cooperative in the upper Midwest supports option 1-A and the compacts.

You can imagine the surprise and disappointment of so many of my colleagues and dairy farmers around the country when Secretary Glickman instead chose option 1-B for the pricing structure for fluid milk. Simply stated, if this option is allowed to be imple-

mented, it will put the future of this country's dairy industry at severe risk.

The pricing provisions of the Secretary's final rule will result in lower producer prices by as much as a \$1/2 million a day and will unnecessarily force farmers out of business. Adequate local supplies of fresh milk in our region will then be threatened and consumers will pay higher prices for fresh milk which is transported great distances from other areas of our country.

I see my good friend from New Jersey is here. I am ready to go on at length. I expect he wants to express himself.

Mr. President, I yield the floor at this time.

Mr. TORRICELLI. Mr. President, I thank the Senator from Vermont for yielding. I thank him in behalf of the dairy farmers in New Jersey and agricultural interests in our State and region for his extraordinary leadership in what is a defining moment for those of us in the Senate as to whether or not we will stand with agriculture in the Northeast or the dairy farmers and the farmers who remain in our region of the country are simply to dwindle and die as did so many who came before them.

I could not feel more strongly about this issue at this moment in the Senate. As the Senator from Vermont, year after year I have come to this well—or in my service in the House of Representatives—as an American feeling the need and the pain of others who suffered from hurricanes in Florida, earthquakes in California, tornadoes in the Midwest, floods in the upper Northwest to get assistance to people in need.

Through the years, I voted for agricultural appropriation after agricultural appropriation because I understood the hard work of American farmers in our heartland and the difficulties they face in flood or in diseases to crops, whatever the problem might be.

You can imagine my surprise to find, when the State of New Jersey, New England, and the Mideastern States have suffered the worst drought in generations, that our farmers are not receiving the same consideration.

From June through August, in a normal year, the State of New Jersey would receive 8 inches of rain. This year, New Jersey received 2 inches of rain. Our reservoirs were severely drained. The crops of many fruit and vegetable growers were devastated with losses of 30 to 100 percent.

Yesterday, Senator SANTORUM noted that this legislation deals with the falling prices of crops in the Midwest and offers relief. He appropriately said: We wish we had falling prices at which to sell our crops.

The crops of New Jersey farmers are destroyed. Yet this legislation, which offers \$8.7 billion in relief, goes largely for low crop prices in the South and to a lesser degree in the Midwest. Only 10 percent is for natural disaster assistance for the entire Nation.

Not only is it not adequate, it is an insult to the hard-working farmers in

New Jersey and New England who have been devastated by the drought. In my State, 400,000 acres of farmland, on 7,000 farms, have sustained what is estimated to be up to \$100 million worth of damage.

Secretary Glickman has estimated there could be \$2 billion worth of damage in the entire Northeast. The Governors of our States, including Governor Whitman in my own State, have estimated it could be \$2.5 billion. That was before Hurricane Floyd brought its own damage to North Carolina and New Jersey and other agricultural interests. This legislation offers but 10 percent—less than half, probably less than a third—of what the need really is at the moment.

It will surprise some around our country to understand why a Senator from New Jersey would take this stand attempting to block the entire agricultural appropriations for the whole Nation because of farmers in New Jersey.

New Jersey has not been identified as the Garden State by chance. Agriculture in New Jersey is a \$56 billion industry. It is the third largest industry in the entire State. It matters. The nursery industry alone is a \$250 million annual business. The sale of vegetables, such as tomatoes, peppers, and cucumbers, is a \$166 million industry. And the sale of fruits, such as cranberries, peaches, and blueberries, is a \$110 million business. Our field crops, such as corn, winter wheat, and soybeans, generate \$66 million in sales while our dairy industry is a \$41 million business.

This is not some ancillary problem in the State of New Jersey. It is the economic life of whole counties, entire communities, and thousands of people. At \$8,300 for an average acre of land in New Jersey, our farmland is the most valuable in the Nation, growing 100 different kinds of fruits and vegetables for local and national consumption.

I take a stand against this legislation because I have no choice. I join with the Senator from Vermont because of the devastation of our agriculture industry but also because I share the Senator's deep concern for the future of dairy. The dairy industry was once one of the largest and most important in the State of New Jersey. There are now no more than 180 dairy farms left, with hard-working people in Salem, Warren, Sussex, and Hunterdon Counties.

I know if the Senator from Vermont does not get consideration for his dairy farmers, his dairy industry will become tomorrow what the dairy industry has come to be today—prices that do not sustain a quality of life and do not allow people to keep the land. Those dairy farms will be destroyed.

In the last decade alone, 42 percent of the dairy farms in New Jersey have been destroyed—beautiful lands that sustained families and communities and are now parking lots and shopping centers or simply vacant, idle land. The fact is, a dairy farmer today in New Jersey cannot get a price to sustain the costs of his business. Without

the compact that the Senator from Vermont is advocating, they never will. New Jersey dairy farms have experienced a 37-percent drop in the price of their product. It is not sustainable.

So I thank the Senator from Vermont for yielding the time. I pledge to return to this floor with him to fight for disaster assistance for New Jersey farmers who have lost their crops and need help—not a loan, because they cannot sustain a loan; they cannot pay interest on a loan. These are small family farms that simply need a Federal grant, a fraction of the kind of expenditures that will go to the South and the Midwest—a fraction—so they can plant their crops again in the spring and have a new crop next year to feed their families and feed our communities. For this dairy compact, we need to make sure these few remaining dairy farmers are not lost and the 20 percent of the fresh milk that goes to New Jersey families can continue to come from our own farms.

For those people who live in the urban areas of New Jersey and in suburban communities, who think they are far away from these dairy and agricultural needs, this remaining agricultural land in New Jersey must not be destroyed, because with every dairy farmer who goes out of business, every family farmer who has to sell their land, that open space is lost to suburban sprawl, and it affects the quality of life of every family in our State.

So I thank the Senator from Vermont for yielding the time. I pledge to return again and again with him to try to fight this legislation and, if by chance we should fail, to urge the President to veto it. I thank the Senator for yielding the time.

I yield the floor.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. I commend the Senator from New Jersey for his very realistic look at this bill. I would like to emphasize that there is so much more than the ordinary disaster in here. It has nothing to do with hurricanes and the drought. And the billions of dollars for the Northeast, which had the drought and problems and all, have nothing to do with farmers. Not only that, the program they have—which costs no money and which has given security to the farmers and helped the consumers—will not go forward. They rejected our attempts to put it in there.

The Senator from Oregon, I believe, desires to speak on another matter. I would like to finish up with a few more remarks, and then I would be happy to yield. We may have one other Member coming over to speak on dairy. But I know he also supports this effort, and I appreciate that very much.

Let me remind my colleagues that unlike years ago, the Federal pricing program has essentially no Federal cost and no Federal subsidy. So here we are arguing for something to pro-

tect our farmers, to protect consumers, to protect the processors with a reasonable price, and we cannot get it approved, when billions of dollars are being spent in the disaster bill for non-disasters—except a lower price. That is a disaster, but it is not the kind of disaster we look to for protection by the Federal Government.

The overall loss to dairy farmers caused by the overall final rule is even more startling. We are back on 1-B, the one the Secretary of Agriculture jammed down the farmers' throats. Fortunately, the courts have put a stop to that.

The Secretary's final rule will drop the price paid for cheese by as much as 40 cents per hundredweight of milk. That is the way we look at how we reward the farmers for each hundredweight of milk. Dairy economists estimate that U.S. dairy farm annual income will fall in total by at least \$400 million or more under the Secretary's final decision.

Who benefits from that? Do the consumers? No. There is no evidence whatsoever that they will benefit. Who will benefit? The processors, the ones that buy the milk. Their profits will go up. The farmers' profits will go down. And the consumer prices will go up. What we are trying to set up is a system where that does not occur. The Northeast is projected to lose \$80 million to \$120 million per year under 1-B. The Southeast loses \$40 to \$60 million. The upper Midwest will lose upwards of \$70 million, even though, as the chart in red shows, they lose a lot less. In fact, they gain. On the other hand, most areas of the country will be better off under option 1-A, including the upper Midwest. Marginally increasing producer income in most regions of the country, option 1-A is based on solid economic analysis, benefiting both farmers and consumers. It takes into account transportation costs for moving fluid milk, regional supply and demand needs, the cost of producing and marketing milk, and the need to attract milk to regions that occasionally face production deficits.

In early August, dairy farmers were given the opportunity to vote for option 1-B or reject the Federal Milk Marketing Order Program. That is right. There were two choices given to dairy farmers: Either approve option 1-B or have no Federal order program. Which is it? It is not a surprise that the farmers overwhelmingly chose the lesser of two evils.

There was no sense to this. There was no reason to allow it to occur. Correcting the Secretary's final rule, as part of the Agriculture appropriations bill, would have prevented dairy farmers across the Nation from losing millions of dollars in income.

Let me also explain briefly, before I turn to my friend from Oregon, the votes were in the conference committee to put in what we are trying to do. They were there. However, what happened? Just as we were about to

have that vote, people from processors and others came in, and the leaders who were behind this move were able to convince those Members not to vote for what we want here, which is basically real help to farmers and consumers.

With that, Mr. President, I yield the floor, at least until my good friend from Oregon has finished.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I want to take a few minutes tonight—Senator GRAHAM of Florida will be joining me, and Senator GORDON SMITH of my home State, my friend and colleague, will be joining me as well tonight—the three of us want to take a few minutes to talk about the important amendment we were able to have added to the HHS appropriations bill during the course of the last week.

In the beginning, we especially express our appreciation to Senator SPECTER and Senator HARKIN. They worked with the three of us and our staffs over the last week on this particular issue.

What our agricultural labor amendment does is require the Department of Labor to report to the Congress on how the Department plans to promote a legal, domestic workforce—specifically, to improve compensation, working conditions, and other benefits for agricultural workers in the United States.

Today's agricultural labor program is a disaster for both farm workers and for farmers. We have a system that is completely broken. Estimates are that well over half of the farm workers in this country are illegal. As a result of their status, they can have no power at all. They can't even vote. They are subjected to the worst possible conditions imaginable, horrendous housing, and, in many instances, thrown into the back of pickup trucks and moved by people called coyotes, who, for a profit, bring them from other countries. The conditions to which our agricultural workers are subjected in so many instances are nothing short of immoral.

At the same time, the growers, who have a dependable supply of workers to pick their crops, are also in a completely untenable situation, the growers who want to do the right thing. Senator SMITH and I represent a great many of those growers and farmers in our home State of Oregon, who don't know where to turn to find legal workers.

The General Accounting Office did a report a couple of years ago on the farm worker situation in our country. They said there really are enough farm workers, but they came to that conclusion only by counting the illegal farm workers in our country. Well over half of the farm workers in the United States are illegal. It is a situation that essentially turns those farmers, when they want to do the right thing, into people who have to make a choice as to whether or not they want to be felons

and not comply with the law or simply another individual in the bankruptcy line in our country.

To give you an idea how absolutely unacceptable this situation is, just this week I had berry farmers from my home State in Oregon telling me they had recently had meetings with the Department of Justice and the Immigration and Naturalization Service. They were told, in effect, how to work the system, but they weren't given any hope that what they were doing was within the law. In effect, the administration was telling the berry farmers in my State, with a wink and a nod, they should tolerate this system that is based on workers who can have no power and farmers who lack a system that is dependable and reliable so they can find legal workers.

In the last session of Congress, Senator GRAHAM, Senator SMITH, and I put together a bipartisan proposal to change this wholly unacceptable situation and produce a new system for dealing with agricultural labor that would be in the interest of both the farm worker and the farmer. Under our proposal, workers who were legal would get a significant increase in their benefits. Just how significant was documented in a report done for us by the Library of Congress, October 21, 1998. At page 2 of that report, it states specifically that the Library of Congress found that under our proposal—it received 67 votes in the Senate—the legal farm worker would get significantly higher wages, under what the Senate voted for. In addition, there would be benefits for housing, transportation, a variety of benefits that are so critical to the farm workers.

But after 67 Members of the Senate voted for our proposal, the administration said: It is unacceptable. We are going to veto it. It is not good enough. We have other ideas.

At that time, Senator SMITH, Senator GRAHAM, and I entered into a series of discussions with the Clinton administration asking them for their plan on how to produce this system that would address the legitimate concerns of both the farm workers and the growers. We have been at that for more than a year.

I see our good friend Senator GRAHAM coming to the floor, and I will yield to him in just a moment.

Senator GRAHAM, Senator SMITH, and I have been at the task of trying to get from the administration their plan to deal with agricultural labor for more than a year. We told them, if they don't like our proposal—67 votes in the Senate; the Library of Congress said it will produce higher benefits, wages, improved transportation, and improved housing for so many legal workers—since it wasn't good enough for the Clinton administration, we would like to see their proposal. We decided we would, in the spirit of comity and a desire to get an agreement with the executive branch, wait for their proposal.

We are still waiting to this day. The administration remains on the sideline

to this day, unwilling to come forward with any specific ideas that would be in the interests of both the workers and the growers. Just this week, they told the berry farmers in my home State—and we do a lot of things in Oregon well; frankly, what we do best is grow things; our farmers are very important to our State—the administration basically told them, just wink and nod at the rules that are out there today.

In December of 1998, Alexis Herman, Secretary of Labor, sat in a meeting in Senator GRAHAM's office with Senator GRAHAM, Senator SMITH, and myself. Alexis Herman told us, three Members of the Senate, that the administration would give us a specific proposal for dealing with this agricultural labor situation by the end of February 1999.

No such proposal has ever been delivered. In a moment, I am going to yield to my friend from Florida because he has essentially laid out a timeline that demonstrates how many times we have tried to get the administration off the sidelines and to join us in a bipartisan effort to produce a system that would work for the farm worker and for the grower.

By its inaction, the administration is perpetuating a system that is a disaster for both the farm worker and the farmer. It is a system that is totally broken—a system that has condemned the vast majority of farm workers to some of the most terrible and immoral conditions imaginable. It is a system that has made it impossible for the farmers who want to do the right thing to know where to turn.

In the last Congress, Senator GRAHAM, Senator SMITH, and myself brought a legislative proposal that would change that, which the Library of Congress said would produce a significant amount of additional benefits for the legal farm worker. The Clinton administration said that wasn't good enough, and we have waited and waited for their ideas.

Well, tonight, as a result of the action taken in the Labor-HHS bill, we are calling, as a matter of law, on the Clinton administration to give us their plan as to how to produce a legal domestic workforce, which would have improved compensation, improved working conditions, and improved benefits that those farm workers are entitled to as a matter of simple justice.

So I am hopeful that we will get the administration off the sidelines soon. I am hopeful that they will do what they promised to do well over a year ago.

If the Senator from Vermont is willing, I would like to break my remarks off at this point and allow the Senator from Florida to speak for a few minutes. We want to be courteous to our colleague from Vermont because he is dealing with an issue of great importance to him. We will be brief.

I ask unanimous consent that a memorandum be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
LIBRARY OF CONGRESS,
Washington, DC, October 21, 1998.

[Memorandum]

To: The Honorable Ron Wyden; Attention: David Blan.

From: American Law Division.

Subject: Agricultural Labor Proposal.

In your letter of October 15, 1998, you asked for a memorandum comparing the basic federal protections available to farm workers with the protections that would have been extended to farm workers under the proposed conference agreement to the Commerce State Justice bill/H2A provision. The letter stated that you are "especially interested in whether the agricultural labor proposal before the Appropriations Conference Committee would have offered farm workers, and particularly the more than 99.5% of U.S. farm workers who work on non-H-2A farms new or expanded benefits compared to current law."

The proposal would have required the Secretary of Labor to establish state and regional registries containing a database of eligible United States workers seeking temporary or seasonal agricultural jobs, in order to inform those workers of available agricultural jobs and to grant them the right of first refusal for available jobs. Basically, farmers would have to apply to the registry for U.S. workers, and hire all referred U.S. workers, before they could seek non-immigrant alien temporary agricultural workers under the immigration program known as "H-2A." Agricultural employers could not import any workers unless the registry failed to refer a sufficient number of registered workers to fill all of the employer's job opportunities. Therefore, the employer could only acquire as many imported workers as would be needed in addition to those U.S. workers referred.

The proposal would have had an impact on domestic farm workers in addition to its effect on alien workers. The general legislative scheme was to condition the right of an agricultural employer to request and hire temporary alien workers on the employer's requirement, first, to seek domestic workers from the registries maintained by the Labor Department, and, then, to extend the protections granted to H-2A aliens under the proposal to all workers in the same occupation on the same farm. Under the proposal, agricultural employers seeking domestic and foreign workers through the registries were required to assure that they would not refuse to employ qualified individuals, and would not terminate them unless there were "lawful job-related reasons, including lack of work." Employers were also required to comply with the following specific assurances.

WAGES

Under current law, agricultural employers, unless they are exempt as small farmers, must pay the applicable minimum wage and overtime rates under the federal Fair Labor Standards Act (FLSA) or 1938, as amended, 29 U.S.C. §§201-19. Under that law, farm workers must receive the greater of the applicable federal or state minimum wage.

Under the conference agreement, the employer must pay the greater of the prevailing wage in the occupation or the adverse effect wage rate to the workers. The employer using the registry must provide assurances that the wages and benefits promised to the workers hired from the registry would be provided "to all workers employed in job opportunities for which the employer has applied [from the registry] and to all other workers in the same occupation at the place of employment."

MIGRANT WORKER PROTECTION

Under current law, agricultural employers who hire migrant and seasonal workers must

comply with the provisions of the Migrant and Seasonal Agricultural Worker Protection Act (MSWPA). 29 U.S.C. §§1801-72. The MSWPA, however, does not cover any temporary nonimmigrant alien authorized to work in agriculture employment under the H-2A program. See 29 U.S.C. §1802(8)(B)(ii).

Under the proposal agricultural employers were required to comply with all applicable federal, state, and local labor laws, including laws affecting migrant and seasonal agricultural workers, for all United States workers as well as all alien workers on the farm.

HOUSING

Under current law, employers have no responsibility to provide housing or housing assistance to their workers. Under the Migrant and Seasonal Agricultural Worker Protection Act (MASWPA), any person who owns or controls housing must comply with substantive federal and state safety and health standards applicable to that housing. 29 U.S.C. §1823.

Under the conference proposal, employers are required to provide housing at no cost to all workers in jobs for which the employer has applied to the registry, and to all other workers in the same occupation as the place of employment, if the workers' permanent place of employment is beyond normal commuting distance. The employer may provide a housing allowance as an alternative.

WORKERS COMPENSATION

Under current law, workers compensation coverage is exclusively a subject of state law, which may not cover all agricultural employees, especially those considered casual or temporary.

Under the proposal, the employer was required to provide insurance coverage providing benefits equivalent to those under state law, at no expense to the worker, for any job that was not covered by the state workers compensation law.

HEAD START

Under current law, migrant employees find barriers to participation in Head Start programs.

Under the proposal, the Migrant and Seasonal Head Start Program would have been established, removing barriers to participation by the children of migrant farmworkers.

TRANSPORTATION

Under current law, employers are not obliged to provide transportation to workers. If transportation is furnished, the employer and any farm labor contractor must comply with the motor vehicle safety requirements of the MSWPA. 29 U.S.C. §1841.

Under the conference proposal, a worker who completed 50 percent of the period of employment would be reimbursed for transportation expenses to the job, and a worker who completed the period of employment would be reimbursed for the cost of transportation back to the worker's permanent place of residence.

ENFORCEMENT OF LABOR LAWS

Under current law, labor laws are enforced primarily by the U.S. Department of Labor and by the responsible state labor enforcement agencies.

Under the proposal, the Secretary of Labor was required to establish an expedited complaint process, including a written determination of whether a violation has been committed within 10 days of the receipt of a complaint.

Workers on farms where the employer did not seek workers through the Labor Department registry would not have been affected by the proposal. Agricultural employers who hire migrant and seasonal workers must comply with the provisions of the Migrant and Seasonal Agricultural Worker protection Act (MSWPA). 29 U.S.C. §§1801-72.

In conclusion, the proposed agricultural registry program would have required farmers to extend the protections of the federal migrant and seasonal worker law to all workers in the same occupation on the site. The proposed agricultural employment bill could well have expanded employment protections for U.S. workers beyond current law. If an agricultural employer applied to a registry and found enough U.S. workers for some or all of the available job opportunities, then those U.S. workers would have been entitled to the enhanced wage, housing, transportation, and other benefits and protections made applicable to all employees in the same work on the same site.

Mr. WYDEN. I am going to yield the floor at this time.

Mr. JEFFORDS. Mr. President, the Senator from Maine has a brief statement to make on the bill that we are talking about. I know the Senator from Florida has a brief statement, and I have no objection to the Senator from Florida leading. I also thank my friend from Oregon for his remarks about a very serious topic.

I yield to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I thank my colleagues from Vermont and Maine for their always courteous generosity, and my colleague from Oregon, with whom I have been working so closely for approximately 2 years-plus now on this important issue.

There is one thing I believe we can agree on, and that is that the status quo of agricultural farm workers in America is unacceptable. It is unacceptable to have somewhere between 35 and 50 percent of all of our migratory farm work done by people who are here illegally. It is unfair to the individuals involved because it puts them in the shadows of our society.

If I may, I will state a personal experience. Immediately after Hurricane Andrew, which hit south Florida in August of 1992, there was great concern about communicable diseases such as cholera; therefore the Public Health Service wanted to inoculate the whole population against the potential of these diseases. There is a substantial migrant farm worker population that lives in the southern part of our State, and many of those people refused to come forward to be inoculated, nor would they allow their children to be protected against communicable diseases because they live in such a dark shadow because of their undocumented status. They were fearful that if they came forward, even with firm promises and commitments by the Public Health Service that they would not be reported for any other purpose, they were still not willing to take the risk. So they put themselves, their families, and the entire community at risk. That is one anecdote of the degree to which, by our acceptance of the status quo, we have placed hundreds of thousands of people into a status of servitude and in the dark closet of our society.

We also have placed honest farmers in an extremely difficult situation.

They are frequently presented with documents that appear to be credible. They hire people to do necessary work during the brief period that is available to harvest the crops, and then they find out later that these people had fraudulent documents, were undocumented, and that they might be subject to various sanctions.

We also know that because of the current system, we have farm workers—both those who are legal citizens or residents of the United States, as well as those who are undocumented—living in horrendous circumstances of housing, being transported in vehicles that don't meet basic safety standards, being placed in a position where their salaries are held each week in order to pay off previous debts, and they live in conditions that are reminiscent not of the 21st century but of the 17th or 18th century. These people are doing extremely difficult work, work that is vital to our Nation and vital to our Nation's economy. They deserve better from us, the policymakers of America, than we have done for them in the past.

One thing we also know, in addition to the fact that the status quo is unacceptable, is the status quo will continue until we decide that this issue is important enough to engage in a serious debate in which we can analyze what the problems are with the status quo, and what the range of solutions to those problems are, and which of those solutions appear to be most appropriate. And it is regarding that which the Senator from Oregon has mentioned that we have had a series of efforts to try to elicit from the administration their plan.

Now, why have we focused so much on the administration? Well, first, they happen to have a unique perspective on the problem, since they are responsible to the Department of Labor, and, secondarily, the Department of Agriculture, for the implementation of the status quo. Therefore, they should be in a specially advantaged position to analyze and recommend alteration to the status quo.

We also know in this form of government we have that while the legislature's responsibility is to enact law, the President, because of his role and because of his constitutional veto authority, plays a key position in terms of legislation and the law.

So beginning in June of 1997, we have been meeting with representatives of the administration, heads of departments, as well as representatives of the White House. Senator WYDEN and myself, sometimes accompanied by others, have met face-to-face, occasionally by conference telephone call, and occasionally by correspondence with the administration on 12 separate occasions between June of 1997 and May of 1999.

Each one of those had a common theme: What is your proposal? What is your diagnosis of the problem? What is your prescription against this problem?

As of today, in early October of 1999, we have yet to receive a credible response to that question.

Thus, the amendment that was accepted to the bill we have just adopted directs the administration to submit to the Congress such a plan. It is my hope that the administration will do so with a sense of expedition. I hope within a period of 60 or 90 days we receive its recommendations so that, if not at their first session of the 106th Congress, then at the earliest point in the second session of the 106th Congress, we would be in a position to have the administration's views as to how this very vexatious problem could be resolved.

I might say that the fact we have made this request, and have made it now for the better part of 30 months, is not an indication that we are going to desist until we have heard the administration's plan. While we would like to have their guidance and suggestions, we consider it to be our ultimate responsibility, as we did in 1998 when we presented to the Senate and the Senate adopted by a margin of well over 2 to 1, the proposal that we submitted. We will continue to take effective action to keep this issue on America's agenda because we cannot tolerate a continuation of the status quo which places hundreds of thousands of human beings into a position of servitude and which places hundreds of thousands of legitimate farmers in a position in which they must operate at the fringe of the law when what they want to do is to be law-abiding citizens.

Before this 106th Congress concludes, I hope we will have had the wisdom to reject the status quo and to have adopted humane, effective public policy which will erase the stain of the status quo of American farm workers, which will have lifted this cloud of illegality from American farmers, which will assure standards of treatment that we as fellow human beings would consider to be dignified and respectful for other human beings, and that we can move forward with a new era in American agriculture.

I appreciate the work of my colleague from Oregon. I also commend our other colleague from Oregon, Senator GORDON SMITH. It is an outstanding example of the people of Oregon who have sent to us these two Members of the Senate, who happen to be from different parties but understand their ultimate commitment is to America and to what is best for this great Nation. They are giving us, in this case, as in other areas, an example of what bipartisanship means and what bipartisanship can accomplish. For that, as well as for their friendship, I extend my gratitude.

The PRESIDING OFFICER. The Senator from Maine.

Mr. JEFFORDS. Mr. President, I know my good friend from Maine is desirous to speak, and I certainly appreciate that.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. SNOWE. I thank the Senator.

Mr. President, I rise today in opposition to the Agriculture conference report. I rise in strong opposition to the conference report.

First, I wish to commend my colleague from Vermont, Senator JEFFORDS, for his leadership, for his perseverance, for his hard work and determination on behalf of all the small dairy farmers, not only in his State of Vermont but in the State of Maine and throughout New England. I thank him. I commend him for the extraordinary effort he has displayed and exhibited throughout this process.

It is only regrettable that those members of the conference committee in resolving the differences between the House and the Senate on the Agriculture conference report did not recognize the position that has been held by all of us who represent the New England States for the Northeast Dairy Compact. That is why I rise in strong opposition to the Agriculture appropriations conference report because it does not extend a reauthorization of the Northeast Dairy Compact.

This issue is a States rights issue more than anything else. Quite simply, it addresses the needs of the States in the Northeast, and most specifically those in New England, that have organized in a way that we can allow fair prices for locally produced supplies of fresh milk.

All the legislatures have approved the compact in New England, and in the Northeast, and all that is required is the sanction of Congress to reauthorize this compact. The compact has protected New England farmers against the loss of their small family dairy farms and consumers against the decrease in the fresh supply of local milk. The compact has proven to be an effective approach to address farm insecurity. The compact has stabilized the dairy industry in this entire region and has protected farmers and consumers against volatile price swings.

As I say, we are talking about small dairy farmers. In my State of Maine, the farmer has an average of 50 cows on their farm. They are trying to preserve a way of life, a way of life that has been there for families for generations. We are trying to protect them through this dairy compact.

All we are asking from this Congress is a reauthorization so we can extend this way of life to small dairy farmers—not agribusiness, not big business, not co-ops, just small dairy farmers who want to produce milk so they can sell it to the consumers in my State of Maine, to Senator JEFFORDS' State of Vermont, and within the New England region.

Over 97 percent of the fluid milk market in New England is self-contained. Fluid milk markets are local due to the demand for freshness and high transportation cost. So any complaints raised from other parts of the country about unfair competition is quite disingenuous.

All we are asking for is a continuation of the Northeast Dairy Compact, the existence of which does not threaten or financially harm any other dairy farmer in the country—not any other dairy farmer in the country. It is to help our dairy farmers within New England, to help the consumers, to help a way of life. The Northeast Dairy Compact currently encompasses the New England States and only applies to fluid milk sold on grocery store shelves in the Northeast.

Only the consumers and the processors in the New England region pay to support the minimum price to protect a fair return to the areas' family dairy farmers and to protect a way of life important to the people of Northeast.

All six of the New England States have supported this through the acts of the legislature, and through all of their Governors, because each Governor has signed a resolution supporting the Northeast Dairy Compact.

Let me repeat. Every Governor and every State legislature in New England have supported the dairy compact. Republicans, Democrats, and Independents support the dairy compact through acts of the legislatures because they recognize how important this compact is to the small dairy farmers in the Northeast.

Under the compact, New England retail milk prices have been among the lowest and the most stable in the country. The opposition—again, we have heard it day in and day out—has manufactured arguments against the compact, saying that increased milk prices.

Let's look at dairy prices over the past few months around the country for a gallon of fresh milk. The price in Augusta, ME, ranged from \$2.89 to \$2.99 per gallon from February to April of 1999; in Boston, MA, the market price stayed perfectly stable at \$2.89 from February to April of 1999; the price in Seattle ranged from \$3.39 to \$3.56 over the same time period. Washington State is not in the compact. Yet their milk was approximately 50 cents higher per gallon than in the State of Maine. The range in Los Angeles was from \$3.19 to \$3.29; in San Diego, the range was from \$3.10 to \$3.62. California is not in the compact. Las Vegas prices were \$2.99 all the way up to \$3.62 in that time period; not much price stability there. And then Nevada is not in the compact. In Philadelphia the range was \$2.78 to \$3.01 per gallon, not as wide a shift as Nevada but a much wider price shift than the Northeast Compact States.

That is why Pennsylvania dairy farmers want to join us. That is why Pennsylvania supports joining the compact.

Denver, CO, on the other hand, is not in the compact. A gallon of milk in Denver has cost consumers anywhere from \$3.45 to \$3.59 over the past few months, over one half a dollar more than in New England.

The Northeast Dairy Compact has not resulted in higher milk prices in

New England in spite of what the opposition has said, but milk prices are among the lowest in the country and are among the most stable.

Opponents also say consumers are getting a raw deal having to spend more on milk. Obviously, based on what I have said thus far in terms of prices around the country, this claim is inaccurate, as prices are among the lowest in the Northeast Compact area and reflect greater price stability.

Also, where is the consumer outrage from the compact States for spending a few extra pennies for fresh fluid milk so as to ensure a safety net for dairy farmers so they can continue in an important way of life. Where is that consumer outrage? It isn't in New England. I have not heard of consumer complaints in my State over the last 3 years as a result of this dairy compact, even in instances where milk prices might have gone up a few pennies because consumers support our dairy farmers. They realize that this pilot program is very important to a way of life, to the kind of milk they want in their region, and they are willing to support it. They recognize this dairy compact has been a huge success.

The Compact Commission sent out over \$4 million in checks to Northeast dairy farmers this past month. That averages to over \$1,000 for each dairy farmer—enough to help keep small family farmers in business and continue a historical way of life that is so important.

The Northeast Interstate Dairy Compact has provided the very safety net that we have hoped for when the compact passed as part of the Freedom to Farm Act, the omnibus farm bill of 1996. The dairy compact has helped farmers maintain the stable price for fluid milk during times of volatile swings in farm milk prices.

In the spring and summer months of 1997 and 1998, for instance, when milk prices throughout most of the country dropped at least 20 cents a gallon while consumers' prices remained constant, the payments to the Northeast Interstate Compact dairy farmers remained above the Federal milk marketing prices for class 1 fluid milk because of the dairy compact and I might add, at no expense to the Federal Government. The costs to operate the dairy compact are borne entirely by the farmers and the processes of a compact region.

Also, consider what has happened to the number of dairy farmers staying in business since the formation of the dairy compact. Another goal of the compact is to preserve a way of life of the small dairy farmer. It is now known throughout New England there has been a decline in dairy farmers going out of business. This is a clear demonstration that with the dairy compact, the dairy producers were provided a safety net, which is what we had hoped for. The results have been just that.

In addition, the compact requires the Compact Commission to take such ac-

tion as necessary to ensure that a minimum price set by the commission for the region does not create an incentive for producers to generate additional supplies of milk. There has been no rush to increase milk production in the Northeast, as has been stated. Oh, we heard time and time again by the opposition that it would increase milk production.

We inserted in the compact legislation back in 1996 compensation producers that have been implemented by the New England Dairy Commission specifically to protect against increased production of fresh milk. That legislation in the 1996 farm bill required the commission to reimburse the USDA for any portion of the Government's cost of purchasing surplus dairy products that could be attributed to an increase in milk production in the Northeast in excess of the projected national average. This provision was included in the farm bill in response to critics' concern that the compact price would lead to overproduction of milk in the Northeast and thus cause Government purchases of surplus milk under the dairy support program to rise.

Between March and September of 1998, the commission placed \$2 million in escrow in anticipation of a potential liability to USDA for surplus purchases. The commission ended up paying \$1.76 million to the USDA toward the end of the fiscal year and returned unused escrow funds of \$400,000 to the Northeast producers who did not increase milk production during fiscal year 1998.

I welcome anybody in this Chamber to cite any other commodity farm program that actually paid back the Federal Government money, that didn't cost the Government any money. I daresay there is no other instance of any other commodity farm program that actually reimbursed the Federal Government, that didn't cost the Government one dime—other than the New England Dairy Compact.

How can other regions of the country feel threatened by a Northeast Dairy Compact for fluid milk produced and sold mainly at home in our region of the country? This compact did what it said it would do: Preserve its way of life, create price stability; it didn't cost the Government money; it didn't increase production, and if it did in any small way, we reimbursed the Government so it wouldn't cost any money.

Despite what has been stated by the opposition, again there has been no additional cost to the Federal nutrition programs, no adverse price impact in the WIC Program—the Women's, Infants and Children Program—or the Federal school lunch and breakfast program. In fact, the advocates of the programs support the compact and serve on its commission.

It should be noted that in the farm bill conference in 1996, the Secretary of Agriculture was required to review the dairy compact legislation before imple-

mentation to determine if there was compelling public interest for the compact within the compact region. In August 9, 1996, and only after a public comment period, Secretary Glickman authorized the implementation of the dairy compact, finding that it was, indeed, in the compelling public interest to do so.

In addition, another mechanism for guaranteeing that this was in their interest, that it wasn't going to cost money to the Federal Government, the Agricultural Appropriations Act of 1998 directed the Office of Management and Budget to study the economic effects of the compact and especially its effect in the Federal food and nutrition programs. Key findings of the OMB study released in February 1998 showed that, for the first 6 months of the compact, the New England retail milk prices were 5 cents per gallon lower than retail milk prices nationally.

Also, a GAO study stated that the compact economically benefited the dairy producers, increasing their income from milk sales by about 6 percent, with no adverse effects to dairy farmers outside the compact region.

These were independent studies. We had OMB, GAO, we had every safety mechanism and precaution in this legislation, and it has demonstrated time and time again it is in the best interests of our small dairy farmers, not costing the Government money—in fact, to the contrary.

The consumers in the Northeast Compact area are showing their willingness to support this compact, to pay a little more for milk if the additional money is going directly to the dairy farmer. Because we are not talking about big corporate farms, we are talking about the small dairy farmer whose family has been in business 100 years, 150 years—generational. That is what they want to do—to maintain their families, to maintain a way of life, and to sell their milk to their local consumers.

Environmental organizations have supported dairy compacting as the compact helps to preserve dwindling agricultural land and open spaces that help combat urban sprawl.

I will ask unanimous consent to have printed in the RECORD a joint resolution from the Legislature of the State of Maine that was passed last spring. I have it here on this board. It shows strong support, on a bipartisan basis, in the Maine State Legislature, and how enormously important this compact is to the near 500 dairy farmers in Maine who produce annually over more than \$100 million in the State of Maine, and how it is in the best interests of Maine's consumers and businesses that this compact be reauthorized. It is that important.

So we have Republicans and Democrats in the State legislatures, we have an independent Governor who supports it, we have everybody across the political spectrum who supports this dairy compact because they understand the value of it.

I also will ask unanimous consent to have printed in the RECORD a July 15, 1999, letter from Maine's Commissioner of Agriculture, who wrote:

I am writing to urge your continued support of Maine's dairy farmers. As you know there is legislation pending before Congress relating to the reauthorization of the Northeast Dairy Compact Commission, and reorganization of the Federal Milk Marketing Orders. These issues are of the utmost importance to Maine dairy farmers and the dairy industry and the infrastructure in this State as a whole.

We need only look at the recent volatility of milk prices to see the Northeast Dairy Compact has been a great success.

He goes on to say:

I cannot stress enough the importance of this issue to the Maine dairy industry.

I also will ask unanimous consent to have printed in the RECORD a September 29, 1999, letter from the Council of State Governments, Eastern Regional Conference, signed by Senators and Representatives and heads of the departments of agriculture of Maine, Connecticut, Delaware, Massachusetts, New Hampshire, New York, New Jersey, Pennsylvania, Rhode Island, and Vermont.

These State elected officials from States all over the Northeast wrote:

The Northeast Interstate Dairy Compact, in setting minimum regional prices for milk, has been an essential stabilizing force with respect to the price that the northeast dairy farmers receive for the milk they produce. Because of its regional focus, it has been extremely successful in promoting adequate local milk production to meet the needs of consumers for fresh milk at an affordable price.

I am also submitting for the RECORD the Council of State Governments' resolution of August 11, 1999, in support of the reauthorization of the compact.

Last, I will ask consent to have printed in the RECORD a September 30 editorial from the Bangor Daily News in my State of Maine, which states:

The compact helps keep local farmers in business, not only through price support but also by keeping enough other farmers at work. That means a dairy infrastructure of grain dealers, truck drivers, and farm machinery salespeople will remain. And that means jobs where they are needed most, in the smallest towns whose residents cannot simply turn to alternative industries. This is not mere nostalgia for the bucolic past, but an immediate dollars and cents issue.

The editorial goes on to say:

Certainly there would be less support for the compact as it stood alone as the sole agricultural support states enjoyed. But the sheer number and variety of Federal programs for crops or for not growing crops, for research and marketing, for electricity, grazing water, etc., makes singling out this relatively small program seem more than a little short-sighted.

That raises an important point. We do not get any support. We do not get the kinds of subsidies that other parts of the country, other commodity programs, have received. Our dairy farmers work hard. They work hard for the sole interest of producing a small amount, so they can sell to their local consumers, to their neighbors, to their

community, to their State. That is all they ever want.

This editorial goes on to say:

None of the Midwestern representatives so angry about the compact have suggested, for instance, that Congress end the millions of dollars spent on local farm research or cut the power lines at the Hoover dam.

Yet the dairy compact is in no sense different than these programs—or it is different only in the sense it helps farmers in this region rather than the usual pattern of helping farmers in the Midwest. Unless Congress has some hidden reason to single out punishment for New England dairy farmers, it should support the compact as a sensible part of our Nation's agricultural policies.

That is an important final point. As one who served 16 years in the House of Representatives, and now in my fifth year in the Senate, I have seen a huge disparity in our farm programs between the policies and programs providing support for the big, the very big, farmers, and the lack of support for the small family farmer, who is so indicative and characteristic of my State and I know the State of Vermont that my colleague, Senator JEFFORDS, represents. It is the small family farmer who just wants to survive, wants to go about doing his business each and every day. Yet we are not going to allow them to do that and to continue a way of life.

The pattern I have seen in these agricultural programs that are supported here in this conference report, time and time again over my 20 years, has been to the exclusion of the small family farmer and to the benefit of the big agribusiness in America. I say that is a travesty of justice. I say it is unfair. I say it is not right.

That is why this dairy compact is so important. Indeed, it is shortsighted on the part of the conferees who did not support the reauthorization in this conference report. It is shortsighted of those who are unwilling to give it their support once again, raising the most bogus of arguments, which we have dispelled. We have refuted all of their arguments, not just based on our hearsay alone, but we have had OMB studies, we have had GAO studies—by everybody's reckoning. We even have legislatures in all the New England States and in the Northeast that support this dairy compact, and the Governors. Can they be all wrong? Could they be misrepresenting their constituency? I say not.

I hope we can defeat this conference report. It simply is not right. It is simply not fair. I ask you to support the small farmers and the way of life they want to embrace, that they cherish, and that they want to sustain. We owe them that much.

Again, I thank my colleague from Vermont, Senator JEFFORDS, for doing yeoman's work on behalf of these small dairy farmers in his State and my State, throughout New England and the other States that want to join because they have seen the success of this compact over the last 3 years. It was a very effective and successful

pilot program, and it deserves to be continued.

Mr. President, I now ask consent that the material I referred to be printed in the RECORD, and I yield the floor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE OF MAINE JOINT RESOLUTION

Whereas, Maine has nearly 500 dairy farms producing milk valued annually at over \$100,000,000; and

Whereas, maintaining a sufficient supply of Maine-produced milk and milk products is in the best interest of Maine consumers and businesses; and

Whereas, Maine is a member of the Northeast Interstate Dairy Compact; and

Whereas, the Northeast Interstate Dairy Compact will terminate at the end of October 1999 unless action is taken by the Congress to reauthorize it; and

Whereas, the Northeast Interstate Dairy Compact's mission is to ensure the continued viability of dairy farming in the Northeast and to ensure consumers of an adequate, local supply of pure and wholesome milk; and

Whereas, the Northeast Interstate Dairy Compact has established a minimum price to be paid to dairy farmers for their milk, which has helped to stabilize their incomes; and

Whereas, in certain months the compact's minimum price has resulted in dairy farmers receiving nearly 10% more for their milk than the farmers would have otherwise received; and

Whereas, actions taken by the compact have directly benefited Maine dairy farmers and consumers; now, therefore, be it

Resolved: That We, your Memorialists, respectfully urge and request that the United States Congress reauthorize the Northeast Interstate Dairy Compact; and be it further

Resolved: That suitable copies of the Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, each member of the United States Congress who sits as chair on the United States House of Representatives Committee on Agriculture or the United States Senate Committee on Agriculture, Nutrition and Forestry, the United States Secretary of Agriculture and each Member of the Maine Congressional Delegation.

STATE OF MAINE, MAINE DEPARTMENT OF AGRICULTURE, FOOD & RURAL RESOURCES

Augusta, ME, July 15, 1999.

Sen. OLYMPIA J. SNOWE,
Washington, DC.

DEAR SENATOR SNOWE: I am writing to urge your continued support of Maine dairy farmers. As you know, there is legislation pending before Congress relating to reauthorization of the Northeast Dairy Compact Commission and reorganization of the Federal Milk Marketing Orders. These issues are the utmost importance to Maine dairy farmers and the dairy industry and infrastructure in this state as a whole.

We need only look at the recent volatility in milk prices to see that the Northeast Dairy Compact has been a great success. The Compact was designed to provide dairy farmers with a safety net against huge drops in prices. While much of the rest of the country saw recent reductions in prices by up to one third, the blow to dairy farmers of the northeast, while substantial, was cushioned by the

floor price established through the Compact. The Compact worked! For many Maine dairy farmers, the Compact has been the difference between existence and extinction.

There is no question that the Federal Milk Marketing Orders needed reform. Consolidation of orders and updating of standards and definitions was long overdue. However, adoption of the pricing changes to the different classes of milk as proposed by USDA will have enormous impacts for Maine dairy farmers. Even by the most conservative estimates produced by USDA, farm income in the northeast will decrease \$84 million dollars per year under the new proposed pricing system. Most estimates indicate the loss to farmers will be in excess of \$100 million dollars.

Pending legislation would reauthorize the Northeast Compact (along with authorization of a Southern Compact), require USDA to adopt the so called 1-A option of pricing class I milk and require USDA to hold rule-making hearing on pricing of class III milk. I urge your continued support and hope you will encourage uncommitted colleagues to support the Jeffords/Leahy amendment legislation. I can not stress enough the importance of this issue to the Maine dairy industry.

Please contact me with any concerns or questions you have regarding these important matters.

Sincerely,

ROBERT W. SPEAR,
Commissioner.

COUNCIL OF GOVERNMENTS,
September 29, 1999.

Re: Northeast Interstate Dairy Compact.

The Northeast Interstate Dairy Compact, in setting minimum regional prices for milk, has been an essential stabilizing force with respect to the price that northeast dairy farmers receive for the milk they produce. Because of its regional focus, it has been extremely successful in promoting adequate local milk production to meet the needs of consumers for fresh milk at an affordable price.

As you know, the Dairy Compact is due to expire on October 1, 1999. Twenty five states, including all of those in the Northeast, have adopted the Dairy Compact. If it is not reauthorized, the resulting volatility in milk prices will cause regional dairy farmers to suffer devastating financial consequences. Therefore, we urge you to promote the extension of the Northeast Dairy Compact, as well as ratification of the Southern Dairy Compact, by Congress in an effort to secure the financial future of our region's dairy farmers.

In summary, we believe prompt action is necessary on both of these matters that are so critical to maintaining the viability of the region's agriculture industry and, thereby, our overall economy and quality of life. The financial losses endured by our farmers are substantial and immediate. We respectfully request that you and your Congressional colleagues from the Northeast support the measures we are proposing and promote regional solidarity to assist the struggling northeast farmers.

Please feel encouraged to contact any of the signatories below or our staff in the Council of State Governments' Eastern office with responses to this letter and any recommendations for immediate follow-up action.

Sincerely,

Representative Jessie G. Stratton, Co-Chairwoman, Joint Environment Committee, CT.

John F. Tarburton, Secretary, Department of Agriculture, DE.

Representative V. George Carey, Chairman, Environment & Natural Resources Committee, DE.

Senator John M. Nutting, Co-Chairman, Joint Agriculture, Conservation & Forestry Committee, ME.

Jonathan Healy, Secretary, Department of Agriculture, MA.

Stephen Taylor, Commissioner, Department of Agriculture, Markets & Food, NH.

Assemblyman William Magee, Chairman, Assembly Agriculture Committee, NY.

Representative Italo Cappabianco, Minority Chairman, Agriculture & Rural Affairs Committee, PA.

Ken Ayars, Chief, Division of Agriculture & Marketing, Department of Environmental Management, RI.

Representative Douglas W. Petersen, Co-Chairman, Joint Natural Resources & Agriculture Committee, MA.

Assemblywoman Connie Myers, Vice-Chair, Agriculture & Natural Resources Committee, NJ.

Representative Thomas E. Armstrong, Member, House Agriculture & Rural Affairs Committee, PA.

Senator William Slocum, Minority Chairman, Senate Agriculture & Rural Affairs Committee, PA.

Leon C. Graves, Commissioner, Department of Agriculture, VT.

COUNCIL OF STATE GOVERNMENTS,
EASTERN REGIONAL CONFERENCE,
Burlington, VT, August 11, 1999.

REAUTHORIZATION OF THE NORTHEAST INTERSTATE DAIRY COMPACT AND THE RATIFICATION OF A SOUTHERN COMPACT

Whereas, the Northeast Interstate Dairy Compact has maintained a successful track record of stabilizing the price dairy farmers receive for the milk they produce and has created a beneficial partnership between consumers and dairy farmers; and

Whereas, it is in the best interest of the general public to perpetuate our existing dairy industry and insure the continuance of local production to adequately meet the demand of all consumers for fresh milk at an affordable price; and

Whereas, dairy compacts have received the support of diverse coalitions, representing state and local governments, consumers, environmentalists, land conservation interests, financial institutions, equipment and feed dealers, veterinarians, the tourism industry, and agricultural organizations; and

Whereas, compacts are complimentary to the Federal Milk Marketing Order System, which provides the basis for orderly milk marketing through a uniform federal minimum pricing structure; and compacts take into account regional differences in the cost of producing fluid milk, and therefore permit a more localized determination of milk prices, allowing the compact to work in concert with the Federal Order System; and

Whereas, there has recently been a drop in the Basic Formula Price of \$6 cwt, emphasizing the volatility that exists within the dairy industry; and

Whereas, the Constitution of the United States expressly authorizes the states to enter into interstate compacts with the approval of Congress and twenty-five states have passed legislation seeking authority to enter into an interstate dairy compact; and

Now, therefore be it *Resolved*, That, we request that the 106th Congress of the United States take immediate action to reauthorize the Northeast Interstate Dairy Compact and ratify a Southern Compact.

[From the Bangor Daily News, Sept. 30, 1999]
MILK AND MONEY

As a strict measure of its faithfulness to letting the market choose winners and losers, the Northeast Interstate Dairy Compact fails entirely. As policy for promoting economic diversity, food safety and open space, however, it is an important program for the region.

The compact helps dairy farmers by guaranteeing a minimum price for milk. Though it has cost consumers approximately 15 cents per gallon since 1996, it returns to them at least that much value through other means. As members of Congress debate the future of the compact—which was set to end tomorrow but has been postponed by a judge's ruling Tuesday—they should keep in mind that their decision affects far more than a few small farmers.

The compact helps keep local farms in business not only through the price support but also by keeping enough other farmers at work. That means a dairy infrastructure of grain dealers, truck drivers and farm machinery salespeople will remain. And that means jobs where they are needed most, in the smallest towns whose residents cannot simply turn to alternative industries. This is not mere nostalgia for the bucolic past, but an immediate dollars and cents issue.

Having a healthy dairy industry is far more useful and considerably less expensive to Maine taxpayers than sitting by and watching these farms go under, then setting loose its retraining programs and hoping for the best. On a national level, the compact prevents an overdependence on a few large Midwestern sources for this important and highly perishable food. And it gives New England states more local say on controversial issues such as bovine growth hormone.

Certainly, there would be less support for the compact if it stood alone as the sole agricultural support states enjoyed. But the sheer number and variety of federal programs for crops or for not growing crops, for research and marketing, for electricity, grazing and water, etc., makes singling out this relatively small program seem more than a little short-sighted. None of the Midwestern representatives so angry about the compact have suggested, for instance, that Congress end the millions of dollars spent on local farm research or cut the power lines at the Hoover Dam.

Yet the dairy compact is in no sense different than these programs—or it is different only in the sense that it helps farmers in this region rather than the usual pattern of helping farmers in the Midwest. Unless Congress has some hidden reason to single out for punishment New England dairy farmers, it should support the compact as a sensible part of the nation's agricultural policies.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I will be finishing quickly. I would like to point out—exactly where the Senator from Maine left off—why we are here. It may be a little confusing why we are involved in a conference report, but it was pointed out in the farm bill of 1996, we got agreement that we should run a pilot program in New England of a very exciting idea, of a compact where the States would get together and handle the problems of their dairy farmers by having an organized marketing system.

We would show this kind of a system where people from the States would sit down on a commission and make sure the price of milk was held at a level which would guarantee a supply of

fresh fluid milk, which is a basic part of agricultural law, and that the demonstration program would be reviewed when the milk orders were to be implemented.

What happened? Did the program work? That was the problem, it did. That is why we are here tonight because the program did work.

As the Senator from Maine pointed out, the opponents of this, in the Midwest in particular, were so confident it was going to fail, they went out and got the OMB, who they figured would be most friendly to them being of the administration, many Democrats—whatever, that is beside the point—but so certain were they that it would be a failure, they got OMB to do a study.

Lo and behold, what happened? The study came back, and the GAO later came back and said it worked great, it is a wonderful program. That is why 25 States now have said that ought to be a program in which they can get involved. Half the States in the country have already said it is a success. OMB said it is a success.

What is the problem now? Why? Because of the desire of those in the Midwest to take over and supply these areas with milk themselves and not the local dairy farmers, which helps make sure we have that fresh quality milk available, they decided they will put them out of business.

They cannot put them out of business because it is working. The processors, who have been used to setting the price themselves—in many cases there are one or two; there are not many processors, so when there is a good supply of milk, they can go to zero. That has stopped. It is working well.

The Department of Agriculture was not going to do the pilot program. We had to get it extended.

That is where we are. We wanted to extend it, and when we had one, at least we thought we had one in the conference committee that we would have approved because the majority in the House and Senate agreed it was a good program and ought to be extended, what happened? Forces came in and put pressure on Members and we ended up without a majority in the committee. Therefore, we got thrown out into the cold.

We are here to make sure this bill, which belonged on that conference report, that everyone seemed to agree to, goes forward. That is why we are now trying to hold up this bill to get action. We are not going to try to hold up the bill for the disaster payments. We will get into a further discussion of this whole bill and the stuff in it.

The one part that worked so well that does not cost any money and prevents disasters, we cannot get it put into law. That is why we are here. We are going to continue. We are going to fight as long as we possibly can to make sure the dairy farmers in our States, the family farms, the small, beautiful hillsides that have their nice wonderful cows will be there for people

to look at, and we will have a fresh supply of milk from our local farms.

Hopefully, since it was such a successful program, the 25 States that have already passed laws through their legislatures to participate in the compact will have the wonderful opportunities that have been so successful in New England.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

MORNING BUSINESS

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the Senate now proceed to a period for morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONFERENCE REPORT ON FOREIGN OPERATIONS APPROPRIATIONS

Mr. MCCAIN. Mr. President, I supported passage of the Conference Report on H.R.2606, the Foreign Operations Appropriations bill for Fiscal Year 2000.

Foreign aid programs, which constitute a mere one percent of federal spending, are an important and underappreciated component of United States foreign and national security policy. Passage of the annual appropriations bill for foreign operations is, consequently, an imperative. It is for this reason that I voted for its passage, and anticipate its being signed into law by the President.

Despite my support for passage of the Conference Report, this legislation is not without its flaws. While it includes essential economic and military assistance for Israel and Egypt, it contains none of the funding associated with implementation of the Wye River accords involving Israel, Jordan, and the Palestinian Authority. It is anticipated that such funding will be included in a supplemental appropriations bill at some point in the not-too-distant future, but I question the fiscal and political wisdom of budgeting in this manner. Smoke and mirrors rarely provide for sound budgeting practices or a coherent foreign policy.

I am also concerned about the continued inclusion in this legislation of unrequested earmarks and adds. While the Conference Report represents a vast improvement over the bill passed by the Senate in June, it still represents the legislature's continued refusal to desist from earmarking in spending bills. Such earmarks in the bill include \$500,000 for what by any other name remains the Mitch McConnell Conservation Fund, \$15 million for American universities in Lebanon, and a requirement to establish a \$200 million maritime fund using United States commercial maritime expertise. The bill essentially mandates the establish-

ment of an International Law Enforcement Academy in Roswell, New Mexico, thereby demonstrating yet again that fiscal prudence and operational necessity remain alien concepts to members of this body.

There are more examples, but I think I have made my point. As I have stated in the past, there is undoubtedly considerable merit to some of the programs for which funding is earmarked at the request of members of Congress. My concern is for the integrity of the process by which the federal budget is put together. Merit-based competitive processes ensure that the interests of the American taxpayer are protected, and that the most cost-effective approach is employed. Absent such procedures, I will continue to have no choice but to highlight the practice of adding and earmarking funds for programs and activities not requested by the respective federal agencies.

Finally, I must register my strong opposition to language in the bill prohibiting any direct assistance to Cambodia and requiring U.S. opposition to loans from international lending institutions for that impoverished country. Cambodia's election was not perfect; in fact, the months leading up to the vote were characterized by numerous efforts on the part of the Cambodian People's Party to intimidate its political opposition. Cambodia, however, is experiencing its first period of relative peace and stability in many years, and it is regrettable that some in the Senate remain committed to isolating the government in Phnom Penh during a time when we should be working within that country to strengthen democratic institutions while facilitating economic growth. Section 573 of the Conference Report, consequently, represents a significant impediment to our ability to help Cambodia move forward from an enormously painful past.

Despite these flaws, Mr. President, I reiterate my support for passage of the bill and request the accompanying list, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2000, AND FOR OTHER PURPOSES—DIRECTIVE LANGUAGE AND EARMARKS

BILL LANGUAGE PROVISIONS

Not less than \$500,000 should be made available for support of the United States Telecommunications Training Institute;

\$19.6 million shall be available for the International Fund for Ireland;

\$10 million shall be available for the Russian Leadership Program;

\$1 million shall be available for the Robert F. Kennedy Memorial Center for Human Rights;

Sense of Congress that the Overseas Private Investment Corporation shall create a maritime fund with total capitalization of up to \$200 million. The fund shall leverage U.S. commercial maritime expertise;

REPORT LANGUAGE PROVISIONS

The Agency for International Development is "encouraged" to provide assistance for the